

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM MARCH 20, 2013
OPEN SESSION

MINUTES OF MARCH 20, 2013 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN ERIC SKRMETTA, VICE CHAIR CLYDE HOLLOWAY AND COMMISSIONERS FOSTER CAMPBELL, LAMBERT BOISSIERE, AND SCOTT ANGELLE. ALSO PRESENT WAS EVE KAHAO GONZALEZ.

Open Session of March 20, 2013, convening at 9:21 A.M. and adjourning at 10:44 A.M., Natchez Room, 602 N. 5th Street, 1st Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Secretary Eve Kahao Gonzalez.

Ex. 1 Announcements

General Counsel Brandon Frey announced the next B & E will be April 17, 2013 at 9:00am in Baton Rouge. He also announced the promotion of Melissa Watson to Deputy General Counsel.

Commissioner Campbell requested that anyone with information concerning the topic that is being heard on the floor identify themselves and share that information.

Commissioner Holloway complimented the auditing staff on doing a good job and saving rural area residents in Louisiana over \$315,000 since the LPSC revoked its exemption of certain non-profit rural water systems.

Notice of Rate Adjustment – Presented by Commissioner Angelle

The Louisiana Constitution requires the utility companies and carriers under this Commission's jurisdiction to provide notice of an application for a rate increase both in the state official journal and in the official journals for the parishes in which those entities operate. As an arm of the state government, though, I believe it is important for local governments and for municipal governments to be affirmatively and specifically notified whenever a utility company or common carrier operating within their respective spheres of influence seeks any kind of a rate adjustment.

To that end, I hereby direct the Staff to open a rulemaking docket for the purpose of drafting a rule that will require all utility companies and common carriers subject to the jurisdiction of the Louisiana Public Service Commission to provide notice of applications for rate adjustments to their respective and appropriate parish, local and municipal authorities. Such notice should be given, at a minimum, within sufficient time as to allow parish, local and municipal authorities a sufficient opportunity to intervene in a Louisiana Public Service Commission docket that will or could have an impact on each governmental entity's constituents. It should furthermore be the responsibility of each utility company and common carrier subject to the LPSC's jurisdiction to provide to their respective governing authorities affirmative notice beyond the minimum requirements of Article IV, Section 21(C) of the Louisiana Constitution. Finally, this rulemaking should establish a procedure for common carriers and utility companies to provide proof of notice to the Staff of the Louisiana Public Service Commission.

Directive regarding pole attachment docket R-26968 – Presented by Commissioner Skrmetta

The purpose of the above-referenced docket is to consider various issues concerning the rates, terms and conditions of attachments by communication companies to utility poles, including a review of the Commission's long-standing pole-rate freeze and regulations in this area. I believe that the importance of these issues to users and providers of broadband communications in Louisiana, as well as to providers of electric service, has generated a large volume of technical and other data in this rulemaking proceeding. In order to address this large volume of material, and in order to compile a complete record to support the Commission's ultimate action in this docket, I direct the Commission Staff to conduct an evidentiary hearing, issue data requests and to take such other steps as may be reasonably necessary to produce a Staff Recommendation and ultimate Commission decision that lawfully serves the public interest of the citizens of the state of Louisiana. This evidentiary hearing shall be transcribed and shall become part of the official record in the proceeding – and it shall include sworn witness testimony as well as cross examination of such witnesses by Staff and other interested parties to the proceeding. The hearing shall be conducted at such time as to allow Commission Staff, should it so choose, to secure supplementary evidence from the parties via Staff-issued data requests.

Investor Owned Electric Public Utilities – Presented by Commissioner Skrmetta

All investor owned electric public utilities regulated by the LPSC file with the Staff, under seal if necessary, information regarding all existing outstanding debt and the percentage that is subject to refinance and the percentage that is not. These filings should be made within 60 days of the date of this directive.

Entergy/ITC Docket No. U-32535 – Presented by Commissioner Skrmetta

Staff and the outside consultants and counsel assisting Staff in the Entergy/ITC Docket No. U-32538 are hereby directed to investigate other potential methods that may be available to separate ownership of the transmission assets of Entergy Louisiana, LLC and Entergy Gulf States Louisiana, L.L.C. from those companies, as an alternative to the proposed ITC Transaction, but also would allow those assets to remain subject to the jurisdiction and authority of the Louisiana Commission. That investigation should examine whether there is some form of trust arrangement that could accomplish those two goals. Staff is also directed that written discovery deadlines on Applicants' direct testimony, which currently expires on March 28, 2013, be extended to July 12, 2013.

Do Not Text Program – Presented by Commissioner Skrmetta

Staff is directed to look into the possibility of establishing a "Do Not Text" program that will operate similar to the Commission's "Do Not Call" program.

Commissioner Campbell requested that Staff, in connection with "Do Not Text", look into prohibiting calls to cell phones as part of the "Do Not Call" program.

- Ex. 2** **U-32707** - Entergy Gulf States Louisiana, L.L.C, ex parte. In re: Application for Authority to Change Rates, Approval of Formula Rate Plan and for Related Relief.

In re: Discussion and possible vote to hire outside counsel and consultant

On motion of Commissioner Angelle, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to retain Stone Pigman Walther Wittmann L.L.C. as counsel to assist the Commission Staff in this matter for a combined budget of \$490,000 for fees, \$38,000 for expenses for Dockets U-32707 and U-32708 for a total combined budget of \$528,000.

Commissioner Campbell made a motion to retain Exeter, Commissioner Boissiere made a substitute motion to retain Sisung Group, seconded by Commissioner Skrmetta with Commissioner Holloway supporting and Commissioner Campbell and Commissioner Angelle opposing, the Commission voted to retain Sisung Group as consultants to assist the Commission Staff in this matter for a combined budget of \$325,000 for fees, \$50,000 for expenses for Dockets U-32707 and U-32708 for a total combined budget of \$375,000.

- Ex. 3** **U-32708** - Entergy Louisiana, LLC, ex parte. In re: Application for Authority to Change Rates, Approval of Formula Rate Plan and for Related Relief.

In re: Discussion and possible vote to hire outside counsel and consultant.

On motion of Commissioner Angelle, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to retain Stone Pigman Walther Wittmann L.L.C. as counsel to assist the Commission Staff in this matter for a combined budget of \$490,000 for fees, \$38,000 for expenses for Dockets U-32707 and U-32708 for a total combined budget of \$528,000.

Commissioner Campbell made a motion to retain Exeter, Commissioner Boissiere made a substitute motion to retain Sisung Group, seconded by Commissioner Skrmetta with Commissioner Holloway supporting and Commissioner Campbell and Commissioner Angelle opposing, the Commission voted to retain Sisung Group as consultants to assist the Commission Staff in this matter for a combined budget of \$325,000 for fees, \$50,000 for expenses for Dockets U-32707 and U-32708 for a total combined budget of \$375,000.

- Ex. 4** **U-32628** - Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC. ex parte. In re: Joint Application for Approval of the Modification of the Current Methodology for Calculating Avoided Cost.

In re: Discussion and Possible Vote Regarding Request by Entergy Gulf States Louisiana, L.L.C. and Entergy Louisiana, LLC to Modify LPSC Order No. U-32148 Requirement to File FERC Application to be Relieved of Qualified Facility "Put" Obligations to be Effective as of the Date of MISO Membership

PASSED

- Ex. 5** **S-32270** - Eros Community Water Systems, Inc., ex parte.. In re: Request for an increase in water rates (non-profit).

In re: Discussion and possible vote on Staff Recommendation.

On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation increasing the residential rate for 2,000 gallons from \$13.00 to \$14.50 for the first 2,000 gallons and from \$2.00 to \$2.25 for each 1,000 gallons thereafter and increasing the commercial rate from \$40.00 to \$41.50 for the first 40,000 gallons and from \$2.00 to \$2.25 for each 1,000 gallons thereafter and further accepting all other conditions of Staff's Recommendation as filed into the record on February 22, 2013.

- Ex. 6** **S-32327** - Pollock Area Water System, Inc., ex parte.. In re: Request for an increase in water rates (non-profit system).

In re: Discussion and possible vote on Staff Recommendation.

On motion of Commissioner Holloway, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to accept the Staff Recommendation to increase the residential water rates from \$20.50 to \$21.50 for the first 2,000 gallons of consumption and increase the commercial water rates from \$50.50 to \$55.50 for the first 10,000 gallons of consumption and further approved the additional conditions of Staff's Recommendation as read into the record.

- Ex. 7** **S-32264** - Monterey Rural Water System, Inc., ex parte. In re: Application for an increase in water rates (non-profit system).

In re: Discussion and possible vote on Staff Recommendation.

PASSED

- Ex. 8** **S-32269** - Central Bossier Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit).

In re: Discussion and possible vote on Staff Recommendation.

On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation as filed into the record on February 28, 2013, with the following modifications: the residential rate of \$14.00 is increased to \$16.00, the commercial rate of \$30.00 is increased to \$34.50, and the Company be required to provide any outstanding 2012 financial documentation to Commission Staff to complete the record of the audit.

- Ex. 9** **S-32515** - Atmos Energy Corporation, ex parte. In re: Request to Abandon natural gas distribution facilities and services to customers in the Bayou Corne Area, Assumption Parish, Louisiana.

In re: Discussion and Possible Vote on Staff Recommendation.

On motion of Commissioner Boissiere, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation granting Atmos' request subject to conditions as read into the record.

- Ex. 10** **R-31891** - Louisiana Public Service Commission, ex parte. In re: Review and Update of the Regulations and Guidelines of the Louisiana Public Service Commission Applicable to Customer Owned Coin Operated Telephone Service Providers and Alternate Operator Service Providers.

(Last month's Exhibit No. 17)

In re: Request for rehearing at the request of Commissioner Skrmetta.

On motion of Commissioner Boissiere, seconded by Commissioner Skrmetta, concurred by Commissioner Angelle and opposed by Commissioners Campbell and Holloway, the Commission voted that the provisions of Order No. 31891 requiring that all fees and surcharges be removed within 30 days of the effective date of the Order be stayed, for 6 months (or such greater or lesser time as may be determined by the Commission), according to the following terms and conditions: 1) any carrier may choose to abide by the current ordering provisions of Order No R-31891 and cease the fees and surcharges immediately. 2) Any Carrier may file for an exception or exemption from the elimination of the fees and surcharges as delineated hereafter. 3) Any carrier that chooses to continue to collect its currently assessed fees and surcharges acknowledges that it does so

subject to refund, with interest, at the legal rate prescribed annually by the legislature, from the effective date of Order No. R-31891 until the Commission rules on the request; 4) within 30 days the Commission Staff shall develop the requirements for the requests for exceptions/exemptions including the potential grounds to support such a request and the requisite supporting documentation. 5) After the development of the requirements any carrier has 30 days to make any filing seeking such an exception/exemption. 6) Within 60 days the Commission shall establish procedures for the initial administrative determination of the eligibility of a carrier for such exception/exemption; 7) Any such administrative determination shall be subject to review by the Commission; 8) Any carrier that seeks to collect new fees and/or surcharges must file a request to do so with the Commission and no such fees or surcharges may be collected absent an affirmative Commission order.

- Ex. 11** **R-31891** - Louisiana Public Service Commission, ex parte. In re: Review and Update of the Regulations and Guidelines of the Louisiana Public Service Commission Applicable to Customer Owned Coin Operated Telephone Service Providers and Alternate Operator Service Providers.

In re: Consideration of City Tele-Coin's Motion for Rehearing.

PULLED after acknowledgement of no objection by the requesting parties on the record.

- Ex. 12** **R-31891** - Louisiana Public Service Commission, ex parte. In re: Review and Update of the Regulations and Guidelines of the Louisiana Public Service Commission Applicable to Customer Owned Coin Operated Telephone Service Providers and Alternate Operator Service Providers.

In re: Consideration of Securus Technologies' Motion for Rehearing and/or Reconsideration and for the Suspension of Order Number R-31891.

PULLED after acknowledgment of no objection by the requesting parties on the record.

- Ex. 13** LPSC, ex parte. In re: Purchase Gas Adjustment Audit of CenterPoint Arkla

In re: Discussion and possible vote to hire outside consultant.

On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to retain J. Kennedy and Associates to assist the Commission Staff in this matter for a budget not to exceed \$28,200 in fees and \$700 in expenses, for a total budget of \$28,900.

- Ex. 14** LPSC, ex parte. In re: Purchase Gas Adjustment Audit of CenterPoint Entex

In re: Discussion and possible vote to hire outside consultant.

On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to retain J. Kennedy and Associates to assist the Commission Staff in this matter for a budget not to exceed \$25,900 in fees and \$700 in expenses, for a total budget of \$26,600.

- Ex. 15** 1) Reports
 2) Resolutions
 3) Discussions
 4) ERSC/OMS business

IN RE: Discussion and possible vote to ratify the vote taken by Chairman Skrmetta acting as the Commission's representative on the Board of Directors of the Organization of MISO States ("OMS").

On motion of Commissioner Boissiere, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to ratify Chairman Skrmetta's vote taken at the Special Board of Directors meeting of OMS conducted on Thursday March 14, 2013. Chairman Skrmetta, pursuant to the voting protocols adopted at the January 2013 B&E, voted, in favor of the OMS responsive pleading to Protestors in FERC Docket Nos. ER13-708-000 and ER13-708-001.

Ex. 16 **U-32540** - Beauregard Electric Cooperative, Inc., ex parte. In re: Application for Approval of Formula Rate Plan.

In re: Discussion and possible vote pursuant to Rule 57 to approve and adopt Joint Stipulation.

At the Request of Commissioner Holloway.

On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57. On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted the Commission voted to accept Staff Recommendation and approve the Uncontested Joint Stipulation.

Ex. 17 Density Utilities of Louisiana, LLC

In re: Possible Executive Session to discuss Case Nos. 13-50617 and 12-53125 filed in the Bankruptcy Court for the Middle District of Georgia.

At the request of Commissioner Skrmetta.

On motion of Chairman Skrmetta, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to go into Executive Session.

On motion of Chairman Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to come out of Executive Session.

Chairman Skrmetta directed Staff to take whatever action necessary in the Density matters within the federal bankruptcy system.

MEETING ADJOURNED

The next Business and Executive Session will be held April 17, 2013 at 9:00 a.m. in Baton Rouge, Louisiana.